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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* NATHAN SACCO, SONIA WONG, and  
ROBERT ERICKSON

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Appeal 2016-005676  
Application 14/300,112<sup>1</sup>  
Technology Center 3600

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Before THU A. DANG, LARRY J. HUME, and JOHN P. PINKERTON,  
*Administrative Patent Judges.*

HUME, *Administrative Patent Judge.*

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) of the Final Rejection of claims 1–19, which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> According to Appellants, the real party in interest is eBay Inc. App. Br. 2.

## STATEMENT OF THE CASE<sup>2</sup>

### *The Invention*

Appellants' disclosed embodiments and claimed invention "relate generally to the technical field of commerce automation and, in one exemplary embodiment, to methods and systems to automate the creation of a listing for a network-based commerce system." Spec. ¶ 2.

### *Exemplary Claims*

Claims 1, 10, and 19, reproduced below, are representative of the subject matter on appeal:

1. A system including:

a bulk uploader, implemented using one or more processors, that is configured to create a first profile based on listing data included in a first plurality of listings, the first profile including a plurality of aspects including a first aspect; and

a timing module, implemented using one or more processors, that is configured to automatically generate a first listing based on the first profile and further to stage a second plurality of listings for uploading to a network-based commerce system, the second plurality of listings including the first listing.

10. A method including:

creating a first profile based on the listing data included in a first plurality of listings, the first profile including a

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<sup>2</sup> Our decision relies upon Appellants' Appeal Brief ("App. Br.," filed Sept. 23, 2015); Reply Brief ("Reply Br.," filed May 10, 2016); Examiner's Answer ("Ans.," mailed Mar. 11, 2016); Final Office Action ("Final Act.," mailed Feb. 4, 2015); and the original Specification ("Spec.," filed June 9, 2014).

plurality of aspects including a first aspect, the creating done at least in part by one or more processors;

automatically generating a first listing utilizing the first profile, the generating done at least in part through the use of one or more processors; and

staging a second plurality of listings for uploading to a network-based commerce system, the second plurality of listings including the first listing.

19. At least one machine-readable medium storing a set of instructions that, when executed by a machine, cause the machine to perform actions comprising:

creating a first profile based on the listing data included in a first plurality of listings, the first profile including a plurality of aspects including a first aspect, the creating done at least in part by one or more processors;

automatically generating a first listing utilizing the first profile, the generating done at least in part through the use of one or more processors; and

staging a second plurality of listings for uploading to a network-based commerce system, the second plurality of listings including the first listing.

### *Evidence*

The Examiner relies upon the following patent as evidence<sup>3</sup> in rejecting the claims on appeal:

Sacco et al. ("Sacco '244") US 8,762,244 B2 June 24, 2014

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<sup>3</sup> While Sacco '244 is not *prior-art* to the claims on appeal, claims 1–19 of Sacco '244 are relied upon by the Examiner in OTDP Rejection R2 of claims 1–19 of the present application, and therefore are relevant to this inquiry.

*Rejections on Appeal*

R1. Claims 1–19 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 3; Ans. 2.

R2. Claims 1–19 stand rejected under the judicially-created doctrine of obviousness-type double patenting (OTDP) over claims 1–19 of the issued Sacco '244 patent. Final Act. 5.<sup>4</sup>

CLAIM GROUPING

Based on Appellants' arguments (App. Br. 7–21) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of Rejection R1 of claims 1–19 on the basis of representative claim 10. We address OTDP Rejection R2 of claims 1–19, *infra*.

ISSUES AND ANALYSIS

In reaching this decision, we consider all evidence presented and all arguments actually made by Appellants. We do not consider arguments Appellants could have made but chose not to make in the Briefs, and we deem any such arguments waived. 37 C.F.R. § 41.37(c)(1)(iv).

We disagree with Appellants' arguments with respect to Rejection R1 of claims 1–19 and, unless otherwise noted, we incorporate by reference herein and adopt as our own: (1) the findings and legal conclusions set forth by the Examiner in the action from which this appeal is taken, and (2) the

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<sup>4</sup> We note neither Appellants nor the Examiner mention OTDP Rejection R2 of claims 1–19 in the Appeal Brief, Reply Brief, or the Answer. We see no indication in the record that a Terminal Disclaimer has been filed to overcome the rejection, nor do we see withdrawal of Rejection R2 by the Examiner. Thus, as discussed further, *infra*, we summarily affirm OTDP Rejection R2 of claims 1–19.

reasons, legal conclusions, and rebuttals set forth in the Examiner's Answer in response to Appellants' arguments. We highlight and address specific findings and arguments regarding claim 1 for emphasis as follows.

1. § 101 Rejection R1 of Claims 1–19

Issue 1

Appellants argue (App. Br. 7–21; Reply Br. 2–4) the Examiner's rejection of claim 1 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter is in error. These contentions present us with the following issue:

Did the Examiner err in concluding claim 1 is patent-ineligible under § 101 because the claim is directed to an abstract idea carried out by conventional computer techniques, without significantly more?

Analysis

With respect to the § 101 rejection, Appellants contend, *seriatim*:<sup>5</sup>

(a) The Examiner failed to provide any evidence that the claims on Appeal are directed to an abstract idea (App. Br. 7–9);

(b) The claims are not directed to an abstract idea, including fundamental economic practices or methods of organizing human activity (App. Br. 9–16);

(c) Even assuming the claims are directed to an abstract idea, they are patentable because they do not merely apply an abstract idea, but instead solve a technological problem in conventional industry practice which does not preempt the field of endeavor. App. Br. 16–21.

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<sup>5</sup> We note Appellants erroneously refer to "claims 20–39" in the heading of section "II." of their Arguments. App. Br. 7.

*(a) Evidence of Abstractness is not Required*

Appellants' argument concerning the absence of evidence supporting the § 101 rejection does not persuade us of Examiner error. "Patent eligibility under § 101 presents an issue of law." *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340 (Fed. Cir. 2013). There is no requirement that an examiner cite evidentiary support to conclude that a claim is directed to a patent-ineligible concept, such as an abstract idea. *See, e.g.*, para. IV "JULY 2015 UPDATE: SUBJECT MATTER ELIGIBILITY" to 2014 INTERIM GUIDANCE ON PATENT SUBJECT MATTER ELIGIBILITY (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) ("The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a question of law. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings." (footnote omitted)).

Although evidence may be helpful in certain situations where, for instance, facts are in dispute, we are unpersuaded it is necessary in this case.

*(b) Alice Step 1: The Claims are Directed to an Abstract Idea*

Section 101 provides that anyone who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" may obtain a patent. 35 U.S.C. § 101. The Supreme Court has repeatedly emphasized that patent protection should not extend to claims that monopolize "the basic tools of scientific and technological work." *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972); *Mayo*

*Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012);  
*Alice Corp. Pty Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014).

Accordingly, laws of nature, natural phenomena, and abstract ideas are not patent-eligible subject matter. *Id.*

The Supreme Court's two-part *Mayo/Alice* framework guides us in distinguishing between patent claims that impermissibly claim the "building blocks of human ingenuity" and those that "integrate the building blocks into something more." *Alice*, 134 S. Ct. at 2354. First, we "determine whether the claims at issue are directed to a patent-ineligible concept." *Id.* at 2355. If so, we "examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Id.* at 2357 (quoting *Mayo*, 566 U.S. at 72, 79). While the two steps<sup>6</sup> of the *Alice* framework are related, the "Supreme Court's formulation makes clear that the first-stage filter is a meaningful one, sometimes ending the § 101 inquiry." *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). We note the Supreme Court "has not established a definitive rule to determine what constitutes an 'abstract idea'" for the purposes of step one. *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016) (citing *Alice*, 134 S. Ct. at 2357).

However, our reviewing court has held claims ineligible as being directed to an abstract idea when they merely collect electronic information,

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<sup>6</sup> Applying this two-step process to claims challenged under the abstract idea exception, the courts typically refer to step one as the "abstract idea" step and step two as the "inventive concept" step. *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

display information, or embody mental processes that could be performed by humans. *Elec. Power Grp.*, 830 F.3d at 1353–54 (collecting cases). At the same time, "all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." *Mayo*, 566 U.S. at 71. Under this guidance, we must therefore ensure at step one that we articulate what the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Alice*, 134 S. Ct. at 2354 ("[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law."). Therefore, under the "abstract idea" step we must evaluate "the 'focus of the claimed advance over the prior art' to determine if the claim's 'character as a whole' is directed to excluded subject matter." *Affinity Labs*, 838 F.3d at 1257 (citation omitted).

Turning to the claimed invention, independent method claim 10 recites:

A method, including:

creating a first profile based on the listing data included in a first plurality of listings, the first profile including a plurality of aspects including a first aspect, the creating done at least in part by one or more processors;

automatically generating a first listing utilizing the first profile, the generating done at least in part through the use of one or more processors; and

staging a second plurality of listings for uploading to a network-based commerce system, the second plurality of listings including the first listing.

Claim 10. System claim 1 and machine-readable storage medium 19, not argued separately with specificity, recite similar limitations.

The Examiner concludes, "[i]n the instant case, the claims are directed towards a listing network. Performing a creation of a listing network is a fundamental economic practice and thus, the claims include an abstract idea." Final Act. 3. Furthermore, "the abstract idea of automating the creation of a listing for a network-based commerce system is similar to cases where the courts have found the claims to be directed to an abstract idea, such as *SmartGene* (comparing new and stored information and using rules to identify options) and *Ultramercial* (using advertising as an exchange or currency[.])." Ans. 3.

Under step one, we agree with the Examiner that the similar inventions claimed in each of independent claims 1, 10, and 19 are directed to an abstract idea, i.e., the fundamental economic practice of creating listings for a network trading platform. *See* Final Act. 3; Ans. 3; *and see* Spec. (Title).

As the Specification states, "[e]xemplary embodiments of the present disclosure relate generally to the technical field of commerce automation and, in one exemplary embodiment, to methods and systems to automate the creation of a listing for a network-based commerce system." Spec. ¶ 2. Also, "[a] method and system for managing listings within a network-based trading environment are provided." Spec. ¶ 7.<sup>7</sup>

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<sup>7</sup> *See also*, Spec. ¶ 108 ("Abstract"):

A method and system for deploying high volume listings in a network based commerce system are described. The system uploads listing data that includes a first listing. Next, the system creates a first profile and a second profile based on the listing data. Finally, the system automatically generates a second listing based on the first and second profiles.

We find this type of activity, i.e., generating a listing for a network-based commerce system based upon first and second profiles could be carried out by a human with pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) ("That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.").<sup>8</sup>

Our reviewing court has previously held other patent claims ineligible for reciting similar abstract concepts. For example, although the Supreme Court has altered the § 101 analysis since *CyberSource* in cases like *Mayo* and *Alice*, the Federal Circuit continues to "treat[ ] analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146–47 (Fed. Cir. 2016) (alteration in original) (quoting *Elec. Power Grp.*, 830 F.3d at 1354).

In this regard, the claims are similar to claims the Federal Circuit found patent ineligible in *Elec. Power Grp.*, 830 F.3d at 1353–54 (collecting information and "analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category").

Our reviewing court has concluded that abstract ideas include the concepts of collecting data, recognizing certain data within the collected data set, and storing the data in memory. *Content Extraction & Transmission*

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<sup>8</sup> *CyberSource* further guides that "a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101." *CyberSource*, 654 F.3d at 1373.

*LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347 (Fed. Cir. 2014). Additionally, the collection and analysis of information (e.g., recognizing certain data within the dataset or list) are also abstract ideas. *Elec. Power*, 830 F.3d at 1353. Similarly, "collecting, displaying, and manipulating data" is an abstract idea. *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017). Also, the gathering and combining of data that does not require input from a physical device is an abstract idea. *Digitech Image Techs., LLC v. Elec. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014). Recently, our reviewing court has also concluded that "creating an index and using that index to search for and retrieve data" is an abstract idea. *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1327 (Fed. Cir. 2017).

Therefore, in agreement with the Examiner, we conclude claims 1, 10, and 19, and claims depending therefrom, involve nothing more than collecting, storing, comparing, and transmitting data in the form of profiles and listings, without any particular inventive technology — an abstract idea. *See Elec. Power Grp.*, 830 F.3d at 1354.

Accordingly, on this record, and under step one of *Alice*, we agree with the Examiner's conclusion the claims are directed to an abstract idea.

*(c) Alice Step 2: The Claims do not Identify an Inventive Concept*

If the concept is directed to an abstract, patent-ineligible concept, as we conclude above, we proceed to the "inventive concept" step. For that step we must "look with more specificity at what the claim elements add, in order to determine 'whether they identify an "inventive concept" in the application of the ineligible subject matter' to which the claim is directed."

*Affinity Labs*, 838 F.3d at 1258 (quoting *Elec. Power Grp.*, 830 F.3d at 1353).

In applying step two of the *Alice* analysis, our reviewing court guides we must "determine whether the claims do significantly more than simply describe [the] abstract method" and thus transform the abstract idea into patentable subject matter. *Ulramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014). We look to see whether there are any "additional features" in the claims that constitute an "inventive concept," thereby rendering the claims eligible for patenting even if they are directed to an abstract idea. *Alice*, 134 S. Ct. at 2357. Those "additional features" must be more than "well-understood, routine, conventional activity." *Mayo*, 566 U.S. at 79.

Evaluating representative method claim 10 under step 2 of the *Alice* analysis, we agree with the Examiner that "[t]he claims do not include limitations that are 'significantly more' than the abstract idea because the claims do not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking." Final Act. 3; *and see* Ans. 3–4 ("[T]he additional limitations include a processor. The additional limitations are not significantly more . . . . [Appellants' Specification paragraphs 96 and 97 disclose] general purpose computers that perform routine and conventional activities.").

We agree with the Examiner because, as in *Alice*, we find the recitation of creating a first profile based on listing data, generating a first listing utilizing the first profile, and staging listings for uploading to a

network-based commerce system, as claimed, is simply not enough to transform the patent-ineligible abstract idea here into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2357 ("[C]laims, which merely require generic computer implementation, fail to transform [an] abstract idea into a patent-eligible invention.").

Concerning Appellants' contention the claims solve a technological problem which is not conventional, and that *DDR Holdings* is controlling authority (*see* App. Br. 18), we disagree. We disagree because Appellants' reliance on *DDR* is misplaced as the recited claims do not improve the computer. In *DDR*, the claims at issue involved, *inter alia*, "web pages displays [with] at least one active link associated with a commerce object associated with a buying opportunity of a selected one of a plurality of merchants." *See* Claim 1 of US 7,818,399. The Federal Circuit found the claims in *DDR* to be patent-eligible under step two of the *Mayo/Alice* test because "the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks." *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014). Specifically, the Federal Circuit found the claims addressed the "challenge of retaining control over the attention of the customer in the context of the Internet." *Id.* at 1258. The rejected claims on Appeal are dissimilar to *DDR*'s web page with an active link, and Appellants' Specification does not support the view that the computer related claim elements are unconventional. *See* Spec. ¶¶ 96–98.

Finally, Appellants' rely upon lack of preemption in the field as supporting the contention the claims are not directed to an unpatentable abstract idea:

Given the particularities of the ways in which each operation is performed and the particularities of the actors performing the operations, independent claim 19 cannot and does not preempt the making, using, and selling of basic tools of scientific and technological work. Therefore, for the above reasons, assuming, *arguendo*, that independent claim 19 is directed to an abstract idea, independent claim 19 is not directed to an ***unpatentable*** abstract idea. Furthermore, each of independent claims 1 and 10 recite elements similar or analogous to independent claim 19. Therefore, these other independent claims are eligible for patent protection for the same reasons as independent claim 19.

App. Br. 21.

Regarding preemption, our reviewing courts guides, "[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility. . . . Where a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) ("that the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract").

Accordingly, based upon the findings above, on this record, we are not persuaded of error in the Examiner's conclusion that the appealed claims are directed to patent-ineligible subject matter. Therefore, we sustain the

Examiner's § 101 rejection of independent claim 10, and grouped claims 1–9 and 11–19, which fall therewith. *See* Claim Grouping, *supra*.<sup>9</sup>

2. OTDP Rejection R2 of Claims 1–19

On this record, we seen no indication that Rejection R2 has been withdrawn by the Examiner. *See* Final Act. 5.

Accordingly, we summarily sustain the OTDP Rejection R2, because Appellants present no arguments contesting the rejection. *See Manual of Patent Examining Procedure* (MPEP) § 1205.02 (9<sup>th</sup> Ed., rev. 07.2015, Nov. 2015) ("If a ground of rejection stated by the examiner is not addressed in the appellant's brief, appellant has waived any challenge to that ground of rejection and the Board may summarily sustain it, unless the examiner subsequently withdrew the rejection in the examiner's answer. *See* 37 CFR 41.39(a)(1).").

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<sup>9</sup> In the event of further prosecution, we direct the Examiner's attention to a precedential Board decision to ensure that "machine-readable medium storing . . ." claim 19 is further directed to statutory subject matter under § 101. Under our jurisprudence, the scope of the recited "machine-readable medium" appears to encompass transitory media such as signals or carrier waves. *See Ex parte Mewherter*, 107 USPQ2d 1857 (PTAB 2013) (precedential) (holding recited machine-readable storage medium ineligible under § 101 since it encompasses transitory media). Here, the recited "machine-readable medium" is not claimed as non-transitory, and the originally-filed Specification does not expressly and unambiguously disclaim transitory forms, such as signals, via a definition. "The term 'machine-readable medium' shall accordingly be taken to include, but not be limited to, solid-state memories, optical and magnetic media, and *carrier wave signals*." Spec. ¶ 98 (emphasis added). Therefore, the "machine-readable medium" of claim 19 is not limited to non-transitory forms and is further ineligible under § 101.

## REPLY BRIEF

To the extent Appellants may advance new arguments in the Reply Brief (Reply Br. 2–4) not in response to a shift in the Examiner's position in the Answer, we note arguments raised in a Reply Brief that were not raised in the Appeal Brief or are not responsive to arguments raised in the Examiner's Answer will not be considered except for good cause (*see* 37 C.F.R. § 41.41(b)(2)), which Appellants have not shown.

## CONCLUSIONS

(1) The Examiner did not err with respect to statutory subject matter Rejection R1 of claims 1–19 under 35 U.S.C. § 101, and we sustain the rejection.

(2) The Examiner did not err with respect to OTDP Rejection R2 of claims 1–19 under over the cited reference patent claims of record, and we summarily affirm the rejection.

## DECISION

We affirm the Examiner's decision rejecting claims 1–19.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED